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C O N F I D E N T I A L SECTION 01 OF 04 BAKU 001398

SIPDIS

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DEPT FOR EUR A/S FRIED AND DAS BRYZA; EB FOR A/S SULLIVAN;
PM FOR A/S HILLEN; DRL FOR A/S LOWENKRON; OSD FOR DAS
MACDOUGALL; NSC FOR MATT PALMER

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SUBJECT: PRESIDENT ALIYEV TELLS GENERAL WARD THAT
AZERBAIJAN WANTS TO "INCREASE AND DEEPEN" ITS COOPERATION
WITH THE UNITED STATES

Classified By: Ambassador Anne E. Derse per 1.4 (b,d).

¶1. (C) SUMMARY: During a September 20 meeting with the Ambassador and Deputy EUCOM Commander General Ward, President Aliyev said that Azerbaijan wants to "increase and deepen" its relationship with the United States. He argued that US and Azerbaijani regional interests and goals "coincide," and that a "strong partnership with the US creates new opportunities for US diplomacy through Azerbaijan to address various issues." Aliyev noted that "a partnership today can be more instrumental and lead to accomplishment of goals that were not possible before." Azerbaijan's overwhelming goal is to safeguard its independence, Aliyev said, adding that the United States' role in supporting Azerbaijan's independence is vitally important. Azerbaijan "needs to do more in the bilateral relationship" to feel more secure vis-a-vis its powerful neighbors. Aliyev noted that a strengthened bilateral relationship would further the United States' and Azerbaijan's shared regional security goals; it also is critical to our shared goal of increasing Caspian gas exports to Europe. Aliyev added that Azerbaijan could play an important role in advancing US diplomatic interests, particularly in the Muslim world. He also made a plea for more military training programs, stating that Azerbaijan's troops lacked the language and specialized skills needed to modernize. Aliyev told Ward that Azerbaijan's long-term stability depends on an integrated approach that includes democratic reform, social and economic reform, and security cooperation. We believe that formalized strategic partnership with Azerbaijan that addresses Aliyev's security concerns would create the framework necessary to secure US goals in security, energy, and political and economic reform.
END SUMMARY.

ALIYEV WANTS INCREASED TIES TO U.S.

¶2. (C) Deputy EUCOM Commander General Ward and Ambassador paid an office call on President Aliyev September 20.

Welcoming General Ward, President Aliyev said that Azerbaijan wants to "increase and deepen" its relationship with the United States, building on existing cooperation and generating new areas of bilateral cooperation, particularly in the military and energy spheres. Azerbaijan is "strongly committed" to cooperation with the United States, Aliyev said. Azerbaijan "does and will do everything necessary to promote ties" with the United States. Aliyev also noted the importance of Azerbaijan's partnership with NATO and the EU, agreeing with Ward that Azerbaijan's NATO Individual Partnership Action Plan (IPAP) covers not only military but all areas of reform. Aliyev noted that the European Neighborhood Policy also is a very good framework for "cooperation and political reform." Much has been done, but "more reform is to be made," Aliyev pledged. "Partnership with the EU and the US helps us to create a modern country," he said.

SECURITY LINKED TO DEVELOPMENT AND REFORM

¶ 13. (C) Aliyev noted that the Caspian region, including the Black Sea and the Caucasus, is becoming increasingly important in world affairs, and said that key issues of mutual concern are inter-related. Regional development is linked to energy, for example, but we cannot discuss energy without discussing security. Security and stability, Aliyev continued, cannot exist without political development. Cooperation with the United States, he said, is very important for progress in all of these areas. It also sends a signal to other countries in the region, Aliyev said.

¶ 14. (C) Ward agreed that all aspects of Azerbaijan's

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development and security are inter-related. He noted that continued democratic development was particularly important for Azerbaijan's security. Azerbaijan needs an integrated approach -- that covers economic development, rule of law, anti-corruption measures and social and education programs -- to implement President Aliyev's vision of a modern, democratic and open state. Aliyev agreed that an integrated approach to all of these areas was critical, and noted that Azerbaijan's existing cooperation mechanisms - particularly the NATO IPAP and the new European Action Plan -- create a framework for cooperation on reform that will create a modern society in Azerbaijan.

¶ 15. (C) Reviewing the tumultuous early years of Azerbaijan's independence, Aliyev said that Azerbaijan struggled under civil war, coup attempts and military occupation before finally achieving some degree of normalcy in 1996-1997. For this reason, Aliyev said, Azerbaijan at this point has had only seven or eight years of practical reform. The future of Azerbaijan is being determined now, he said. "It will depend on us." Aliyev added that he seeks to create a stable, open and democratic state that has good ties with the United States and with its neighbors.

U.S. KEY TO AZERBAIJAN'S INDEPENDENCE

¶ 16. (C) Azerbaijan's overwhelming goal is to safeguard its independence, Aliyev said, and the United States has played and will continue to play a key role in helping Azerbaijan achieve this goal. Azerbaijan secured its real political independence through energy security and that energy security was achieved only through hard work over the course of many years, conducted in partnership with the United States. U.S. support was crucial at every step of the process, Aliyev said, adding that completion of the BTC pipeline would have been impossible without U.S. financial, technical and political support. Thanks to U.S. support, total Caspian oil production will total four million barrels per day within

five or six years, among the largest oil production in the world. Looking to the future, Aliyev said that Azerbaijan could be "the only new supply of gas to Europe" and, for this reason, Azerbaijan seeks renewed cooperation with the United States on energy. The first step, Aliyev said, is to assemble all regional players.

ALIYEV OFFERS TO HELP ADVANCE U.S. DIPLOMATIC GOALS

¶7. (C) Aliyev noted that Azerbaijan's cooperation with the United States could extend into other areas beyond energy and the Global War on Terror. "A strong partnership with the US creates new opportunities for US diplomacy through Azerbaijan to address various issues.... A partnership today can be more instrumental and lead to accomplishment of goals that were not possible before," he said. Aliyev noted in particular that Azerbaijan plays a leading role within the Muslim World -- and within the OIC -- and could create "new opportunities" for its partners in this regard. Azerbaijan, Aliyev said, is a country that can influence the political process in the region and beyond. GUAM, for example, is a revitalized organization that spans the increasingly important Caspian-Black Sea region. Azerbaijan, Aliyev said, is a country that is increasingly self-sufficient and organized, a country that "can influence many things." A good bilateral partnership could create opportunities for the United States to achieve its diplomatic objectives through Azerbaijan, Aliyev pointedly said. "We need to address these issues."

MILITARY REFORM AND ASSISTANCE

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¶8. (C) Turning to the defense sector, Ward thanked Aliyev for Azerbaijan's significant cooperation in the Global War on Terror. Ward said that the United States looks forward to enhancing our cooperation with Azerbaijan, but noted that Azerbaijan's continued progress on military reform is essential. Military reform -- particularly the creation of a legitimate civilian authority over Azerbaijan's defense establishment -- is central to President Aliyev's vision of a modern, open and democratic society. The United States Government is ready to assist Azerbaijan as it makes this transition, Ward noted.

¶9. (C) Aliyev said that he would like to explore additional military-military cooperation programs, adding that training programs would be particularly important. In general, Aliyev said, Azerbaijan's military needs more investment and more trained people. The military lacks language and specialized skills. U.S. and Azerbaijani goals in the region coincide, Aliyev said, as the two countries share a major interest in preventing terrorist attacks. Aliyev wryly noted that Azerbaijan has perhaps an even greater interest in regional security, as Azerbaijan is far more vulnerable than the United States. "Look at our geography," Aliyev said, "this region is very difficult."

A FINAL PLEA

¶10. (C) In conclusion, Aliyev told Ward that US and Azerbaijani "goals coincide, the regional agenda is the same for both of us." Azerbaijan's concern about its neighborhood is "substantial." Azerbaijan is "more vulnerable than the US," given its location, but "our concerns are the same, we need to be prepared and, in our case protected," Aliyev said.

¶11. (C) Azerbaijan's goal is to create a modern and fully independent society. "Developing the country in a diversified way and strengthening our independence is a

matter of our future political existence," Aliyev said. Azerbaijan's future depends on its ability to remain independent from regional forces, Aliyev added, noting that independence is Azerbaijan's "most cherished value." Real independence includes the ability to do what a country believes is right, to fulfill its people's expectations, and to "lead the country into the civilized world." Azerbaijan's policy of independence creates "irritation in many places," Aliyev said, and for that reason Azerbaijan's bilateral relationship with the United States is very important. Aliyev underscored that we need to do more in the bilateral relationship for Azerbaijan to feel itself more secure, stating that "our relationship needs a component to feel ourselves more protected and secure, then we'll (both) be more active in doing what we want to do."

COMMENT

¶12. (C) Since his April 2006 visit to Washington, Aliyev has told us repeatedly and clearly that he seeks a strengthened and deepened relationship with the United States -- which he argues will offer the US a new opportunity to advance important USG objectives and interests in the increasingly strategic Caspian region, and will provide Azerbaijan the security it needs to both pursue its broader development and cooperate with US regional efforts. As evidenced by his conversation with General Ward (and echoed in Aliyev's other meetings with recent USG visitors), Aliyev understands that a strengthened relationship with the United States must reflect all three areas of our mutual concern: security, energy, and political and economic reform. Aliyev is eager to secure new USG assurances on security, and we believe that establishing

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a formalized partnership reflecting shared goals and anticipating progress would, by addressing his concerns, create the framework necessary to advance broader US objectives in security, energy, and reform. It is strongly in our interest to provide a positive, substantive response soon to Aliyev's expression of interest.

DERSE